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Reagan asks inquiry into spy damage

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WASHINGTON—President Reagan has ordered a sweeping assessment of damage to U.S. national security from the Marine espionage case, Jonathan Pollard's disclosures to Israel and the Walker family's Soviet spy ring, according to well-placed sources.

Sources in the U.S. intelligence community said the assessment is expected to be one of the harshest reappraisals of U.S. communications and intelligence security since Reagan took office.

It comes after an astounding series of U.S. security breaches. In less than two years, the U.S. has seen its embassy in Moscow penetrated, its naval secrets compromised by a spy ring, a defection by a CIA man trained to work in Moscow and boxloads of top-secret material turned over to Israel by a spy in naval intelligence.

According to administration sources, Reagan was first briefed on the Moscow embassy espionage case March 26 after investigators had received information from Marine Cpl. Arnold Bracy that suggested the damage to U.S. security had been far more serious than first realized.

The meeting included "all the obvious people," such as Frank Carlucci, the national security adviser; Robert Gates, acting director of the CIA; and Vice President George Bush, a former CIA director, a source said.

At this meeting, a source said, Reagan and Bush reacted angrily to an account of how easily Soviet agents had been able to enter key communications and intelligence rooms at the embassy. They learned that all State Department communications between Washington and Moscow apparently had been compromised, a source said.

Bush called for a top-to-bottom inquiry, but the decision was withheld until a second meeting Monday, involving the same people, in which new details of the

extent of the damage in Moscow were reported to Reagan. At that meeting, Reagan instructed that the major inquiry be conducted and a report be prepared for him.

"The President is personally concerned over what he heard," an administration source said.

Reagan has said nothing publicly about the matter. But on Wednesday, Carlucci said the condition of U.S. security in the wake of the Marine episode was "not very good."

U.S. Ambassador Jack Matlock arrived in Moscow on Thursday to take up his post and said he assumed embassy communications will be secure by the time Secretary of State George Shultz arrives April 12.

"We assume we will have secure communications when he's here," Matlock said. "I'm not going to comment on any condition of the embassy before I see it."

Matlock replaces Arthur Hartman, who left Feb. 19 after five years.

At Quantico, Va., Col. Carmine Del Grossi, commander of the unit that trains and assigns the 1,500 embassy guards worldwide, said Wednesday that government investigators "are looking at potential leads of people that may have been mentioned by ... [the marine] in custody." During a briefing for reporters, he would not rule out that other marines face charges.

Meanwhile, the House Armed Services Committee, headed by Rep. Les Aspin [D., Wis.], has opened an investigation of Marine security. A task force of intelligence experts from key agencies has been reviewing the growing

evidence about the Soviet penetration of the Moscow embassy.

On Jan. 31 the Marines charged Sgt. Clayton Lonetree, an embassy guard, with espionage. He allegedly had turned over names and photos of CIA agents and floor plans of the embassy to Soviet operatives.

Last week, the Marines disclosed that a second guard, Bracy, had been arrested. They also said Lonetree had permitted Soviet KGB agents free run of the embassy for long periods and had turned off alarms when the Soviets tripped them. Bracy and Lonetree are accused of allowing the agents to enter the room where classified messages are decoded.

Bracy and Lonetree, according to Defense Department sources, were romantically involved with Soviet women.

According to counter-intelligence sources, the most serious breach was allowing the Soviets into the communications room, which suggested to analysts that secret communications were compromised. This would mean that such crucial matters as planning for the Reykjavik summit meeting last year had fallen into Soviet hands.

But a source said the CIA communications equipment in Moscow and other CIA files were under separate security provisions and may not have been penetrated.

According to Robert Lamb, assistant secretary of state for security affairs, Bracy was reduced in rank after it was discovered that he had a relationship with a Soviet woman and security investigators had questioned him extensively about espionage. But Lamb acknowledged that Bracy's "answers were accepted too readily. We have to say we should have pursued that more."